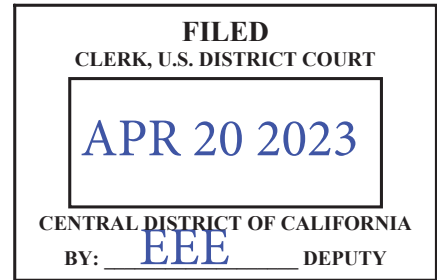


N/S/I



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Note: The Clerk must not refuse to file a paper solely because it is not in the form prescribed by these rules or by a local rule or practice. *Fed. R. Civ. P. 5(d)(4)*

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

LACV23-02972-FMO(Ex)

CLINTON BROWN,
Plaintiff,
vs.
EMIL ASSENTATO, TAX DEED
ENTERPRISES LLC, STEVE WEERA
TONASUT TRUST,
Defendants.

CASE NO.

Complaint

Judge:

Magistrate Judge:

Action Filed: 04/19/2023

Action Due:

JURISDICTION

The Court has original jurisdiction pursuant to 28 U.S.C. § 1331, arising under Federal questions, 15 U.S.C. § 77v(a) and 15 U.S.C. § 78aa(a).

VENUE

Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(2).

PARTIES

Plaintiff, CLINTON BROWN, resides at: 16821 Edgar St., Pacific Palisades, CA 90272
Defendant, EMIL ASSENTATO, resides at: 141 Piping Rd, Locust Valley, NY 11560
Defendant, TAX DEED ENTERPRISES, LLC, resides at: 2401 Boca Raton Blvd., Boca Raton, FL 33431
Defendant, STEVE WEERA TONASUT TRUST, resides at: 20147 Chapter Dr., Woodland Hills, CA 91364

COMPLAINT

1 Collectively, (“Defendants”)

2 STATEMENT OF FACTS

3 On December 18, 2020, Clinton Brown, (“Plaintiff”), purchased 32.4 acres of land
 4 in unincorporated Los Angeles County, located at 27250 Agoura Rd., Calabasas, CA
 5 91301 (“Property”) from Tax Deed Enterprises LLC (“Seller”) *an entity controlled by*
 6 *Emil Assentato*. (Emphasis added). The Property was purchased on the open market for
 7 \$299,000. To close the Escrow, Plaintiff paid a \$10,000 cash deposit, recorded a first and
 8 second deed of trust for \$179,000 and \$110,000 from Steve Weera Tonasut Trust and
 9 Emil Assentato, respectively. The Plaintiff, *at the time*, believed the purchase was a
 10 standard real estate transaction between a buyer, seller, and private lender. (Emphasis
 11 added).

12 *Prior to and after the purchase*, Plaintiff was asked by the Defendants about the
 13 plans for the Property. (Emphasis added). Plaintiff planned to install a 20MW solar field.
 14 As a result of the transaction failing to be disclosed as an “investment contract,” and thus
 15 a “security,” the Plaintiff paid the *market price* of \$299,000 for a *50% ownership interest*
 16 in the Property, while also being *solely responsible* for the development and resale of the
 17 solar facility in the *common enterprise* (i.e., profits). (Emphasis added).

19 TIMELINE OF EVENTS

20 **October 22, 2020**, Plaintiff, Emil Assentato, and Tax Deed Enterprises LLC
 21 signed an operating agreement that stated the primary purpose of the “partnership” was to
 22 provide capital for the entitlement and rezoning of the property and facilitate the sale of
 23 the two land parcels that would be owned by the partnership.

24 **December 18, 2020**, Clinton Brown, Managing Member of The Atlas, LLC,
 25 signed the loan agreements secured by the deeds of trust. The Plaintiff purchased a 50%
 26 ownership interest. Emil Assentato received 30% ownership and Tax Deed Enterprises
 27 LLC received 20% ownership, as conditions for providing the second deed of trust so the
 28

1 Plaintiff could close Escrow. The Property was owned outright by Tax Deed Enterprises
2 LLC but had an unpaid property tax debt of \$171,000.

3 **January 2021 – August 2021**, Emil Assentato *loaned* a total of \$250,000 for the
4 solar facility application studies and Plaintiff is *solely* responsible for paying back the
5 loan *with interest*. (Emphasis added). Plaintiff paid monthly interest payments of
6 \$1,977.48 to Steve Weera Tonasut Trust for the \$179,000 first deed of trust.

7 **September 2021 – January 2022**, The Plaintiff, *undercapitalized*, ceased making
8 monthly interest payments to Steve Weera Tonasut Trust. (Emphasis added).
9 Additionally, the solar facility permit was rejected by the Los Angeles County
10 Department of Regional Planning.

11 **January 28, 2022**, The Plaintiff, *seeking capital*, agreed to transfer 15% of the
12 Plaintiff's 50% ownership to the Steve Weera Tonasut Trust. Emil Assentato and Tax
13 Deed Enterprises LLC *approved the transfer*. (Emphasis added).

14 **On February 1, 2022**, Steve Weera Tonasut Trust acquired a 15% undivided
15 interest in the Plaintiff's Property for \$100,000, together with, an agreement to delay
16 interest payments on the \$179,000 deed of trust until December 1, 2023.

17 **On December 17, 2022**, Plaintiff filed a suit under *42 U.S.C. § 1983* in Federal
18 Court, claiming a Fifth Amendment Taking resulting from the October 12, 2021, denial
19 of the solar facility permit, for which no redress was available.

20 CLAIM

21 The law makes it clear that a poor financial decision is not subject to security laws.
22 Security laws do apply pursuant to the *Securities Act of 1933* ("1933 Act") which
23 prohibits the offer and sale of unregistered, non-exempt securities, as well as the offer
24 and sale of registered securities without proper disclosure. The *Securities Exchange Act*
25 *of 1934* ("1934 Act") prohibits any act that would operate fraud or deceit in a purchase or
26 sale of a security. A "security" is defined in 1933 Act and 1934 Act and further defined in
27 *SEC v. W. J. Howey Co.*, 328 U.S. 293, 66 S. Ct. 1100 (1946), as to the form and
28

1 substance of an “investment contract.” In this case, Defendants employed capital in a
2 common enterprise, relied solely on the Plaintiff's entrepreneurial capital for the
3 generation of profits and undercapitalized the development to the detriment of the
4 Plaintiff. Manipulative and deceptive devices are violations of security statutes pursuant
5 to *15 U.S.C. § 78j(a)(2)*.

6 Accredited investors may be exempt from certain registration requirements;
7 however, they are not exempt from disclosure. An offer and sale of an “investment
8 contract” by the Defendants in this land transfer (with an unaccredited investor or
9 accredited investor) does not exempt them from requirements set forth in the 1933 Act
10 and 1934 Act. Instead, accredited investor has been given a statutory definition by
11 Congress and it is thus inherently misleading and deceptive by the Defendants’ failure to
12 disclose. (*15 U.S.C. § 77b(a)(15)*).

13 Furthermore, an investment contract takes the form, *inter alia*, purchase
14 agreements, deeds of trusts, promissory notes, operating agreements, formal and informal
15 agreements, which collectively establish the land transfer as a security. Defendants
16 offered an investment contract, aware that the land transfer was not a standard real estate
17 transaction and, instead, offered and sold the Plaintiff a security. Whether the security
18 was required to be registered or not is immaterial as the failure to disclose the offer and
19 sale, *de facto*, was a security and is subject to such disclosure. (*SEC v. R.G. Reynolds*
20 *Enters. (9th Cir. 1991) 952 F.2d 1125.*)

21
22 *In summa*, the gross imbalance of power between the Defendants and the Plaintiff
23 makes clear that the failure to abide by the statutes resulted in misrepresentation, fraud,
24 and deceit. Congress did not intend for “accredited investors” to use their wealth and
25 sophistication, defined in statute, to misrepresent, defraud, and deceive unaccredited
26 investors, thus undermining the very protections that Congress intended to provide to the
27 public.
28

PRAYER FOR RELIEF

1. The Court declare that the land transfer was an “investment contract” and thus a “security.” (*15 U.S.C. § 77b(a)(1)*).
2. The Court declare Defendants’ omissions, through written and intrastate communications, resulted in an offer and sale of an “investment contract” in violation of *15 U.S.C. 77q(a)(1)* and *15 U.S.C. § 78j(b)*.
3. The Court order rescission of the Defendants 50% and 15% ownership, respectively, in the real property obtained from violating security laws. (*15 U.S. Code § 77l(a)(2)*).
4. The Court grants any other remedies that are speedy, just, and inexpensive to the parties in this action.

“I declare (or certify, verify, or state) under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.”



Clinton Brown

04/19/2023

DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury on all issues that are so triable.

Dated: 04/19/2023

Sign:

A handwritten signature in blue ink, appearing to be "Clinton Brown", written over a horizontal line.

Print Name: Clinton Brown